

Pretreatment Program Audit Program

FIELD WORK AUDIT PROGRAM AND RESULTS FILE

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9723APRD

Date: 9/21/00

APPROVED:

DATE:

OBJECTIVE E: TO EVALUATE THE EFFECTIVENESS OF INTERNAL CONTROLS OVER THE PRETREATMENT PROGRAM. (720 hours)

SUB-OBJECTIVE: Verify controls over the Pretreatment Industrial User (IU) database.

E-1 Verify controls over the accuracy and completeness of the facility list compiled by the IU database. [T-1, 9, 12]

E-1.1 Document procedures for ensuring that the database is complete and accurate. Document procedures and the approval process for adding and removing facilities from the inspection list.

E-1.2 Document procedures for adding new Industrial User (IU) permittees to the database and inspection lists and for verifying expired permits. Verify that Source Control checks industry lists from tributaries and receives accurate permit fee. [C-1, 8, 14]

E-1.3 Compare the IU Database's list of industrial users to the Sewer Service and Use Database. Contact other tributary agencies to determine if comparable information is available to test the accuracy of the IU Database in tracking IUs in tributary locations.

E-1.4 Visually verify a limited sample of the following information on the IU database to determine the following:

- Facilities classified as exempt from future inspections due to Zero Discharge status, a move, or out of business, are correctly classified.
- Qualifying facilities are on the inspection list.
- Archived facilities are correctly archived. [C-12]

E-2 Verify controls over the accuracy and completeness of inspection and sampling results compiled by the IU database. [T-18, 20]

E-2.1 Document procedures for entering inspection information and enforcement actions in the database. Note the timeliness and completeness of data entry. [C-12]

E-2.2 Randomly select 50 San Jose IU and 25 Tributary IU case files from 1999 and 2000. Compare the hard copy case file to the database file to note differences in the following:

- Enforcement actions
- Inspections conducted
- Samples taken
- Dates. [C-22]

E-2.3 Verify that the Pretreatment Program identifies and reports non-compliant facilities to the Regional Board. [C-12]

E-2.4 Analyze the sampling information to determine the number of laboratory tests conducted for each sample.

E-3 Summarize sub-objective results:

- Overall assessment and/or conclusion;
- Audit issues and/or findings; If information comes to auditor's attention indicating that abuse or illegal acts may have occurred, the Auditor-in Charge will immediately notify the City Auditor and the Supervising Auditor. Audit steps will be extended as necessary and the auditor should determine the extent to which these acts significantly affect the audit results. (Audit standards FWS 3A and 3B).

SUB-OBJECTIVE: Determine if the required inspection and sampling frequency exceeds standards.

E-4 Verify controls over the frequency of inspection and sampling assignments. [T-2, 3, 17]

E-4.1 Document procedures for determining the inspection frequency, sampling frequency, and scheduling process. [C-2, 3, 10]

E-4.2 Contact the Regional Board to verify required inspection and sampling frequencies.

E-4.3 Obtain and analyze the current inspection schedule. Compare actual inspection frequency to the required federal, state, and regional inspection frequency requirements. [C-2, 3]

E-4.4 Obtain and analyze the current sampling schedule. Compare actual inspection frequency to the required federal, state, and regional inspection frequency requirements. [C-10, 11]

E-4.5 Analyze the number of inspections and samples to see if they correspond with IU permit groups and fees.

E-4.6 Analyze the IU database for the following:

- Compare inspection dates by IU category. Identify length of time between inspections.
- Compare sampling and self-monitoring report dates by IU category. Compare the number of actual samples and SMRs to federal requirements.
- Compare the scheduled to the actual inspections and sampling frequencies to determine the level of disparity with the planned work activity for the year.

E-4.7 Determine the workload level per inspector for the year, per quarter, and per month.

E-4.8 Survey a sample of Flow Audit Companies to determine the extent of help received by Source Control Inspectors.

E-4.9 Identify cost of sampling tests and compare with other labs in California.

E-5 Verify the ESD Plan Check process to ensure it does not overlap with existing City processes. [T-5, 6, 24]

E-5.1 Document ESD procedures for the Plan Check process.

E-5.2 Verify if businesses in the Tributary Agencies also submit plans to ESD.

E-5.3 Compare the ESD Plan Check process to other plan check processes in the City, noting any overlapping areas.

E-5.4 Survey a sample of customers that have recently been through the plan check process at ESD.

E-6 Summarize sub-objective results:

- Overall assessment and/or conclusion;
- Audit issues and/or findings; If information comes to auditor's attention indicating that abuse or illegal acts may have occurred, the Auditor-in Charge will immediately notify the City Auditor and the Supervising Auditor. Audit steps will be extended as necessary and the auditor should determine the extent to which these acts significantly affect the audit results. (Audit standards FWS 3A and 3B).

SUB-OBJECTIVE: Evaluate the effectiveness and consistency of Pretreatment enforcement actions, and ensure that facilities comply in a timely manner.

E-7 Verify that SC Inspectors consistently identify violations and issue appropriate enforcement actions. [T-4, T-10, T-14, T-15]

E-7.1 Document procedures to:

- Determine appropriateness and completeness of direction. [C-4]
- Determine appropriate steps to resolve, review, and close cases [C-4]
- Compare SC procedures to Code Enforcement procedures for identifying violations and issuing corrective actions.

E-7.2 Document training programs for SC inspectors. Note training areas covering violations and enforcement actions.

E-7.3 Analyze the database to:

- Identify the use of violations and corrective actions. Identify frequency of the different violations and any variance or inconsistency in enforcement actions taken. [C-4]
- Compare database information to the hard copy files for 25 cases to verify that inspectors issue enforcement actions according to procedures. Note if similar violations are treated differently.

E-7.4 Document the use of Self Monitoring Reports and sample analysis results to identify compliance issues. Analyze the number of SMRs and samples to see if they correspond to the number of enforcement actions.

E-8 Evaluate the effectiveness of the inspection program in ensuring that facilities implement all corrective actions in a timely manner [T-16]

- Document procedures for follow-up on corrective actions. Note if timeframes for compliance are included. [C-4]
- Document use of Compliance Meetings, supervisory review, and follow-ups to ensure facilities implement corrective actions. Note if SC inspectors utilize existing enforcement informations to assist in scheduling future inspections.
- Review documentation of 25 inspection case files from the last 3 years. Identify the range of time it takes for facilities to comply with the corrective actions. Are there any outstanding issues?

E-9 Summarize sub-objective results:

1. Overall assessment and/or conclusion;
2. Audit issues and/or findings; If information comes to auditor's attention indicating that abuse or illegal acts may have occurred, the Auditor-in Charge will immediately notify the City Auditor and the Supervising Auditor. Audit steps will be extended as necessary and the auditor should determine the extent to which these acts significantly affect the audit results. (Audit standards FWS 3A and 3B).

OBJECTIVE F: To evaluate the effectiveness of internal controls over the Illicit Connections/Illegal Dumping Inspection Program.

SUB-OBJECTIVE: Evaluate the effectiveness of the ICID program in providing a timely response and resolution to ICID cases.

F-1 Verify that EE prioritizes and responds to ICID cases within five working days.

F-1.1 Document procedures for the following:

- Recording and intaking ICID complaints [C-25, C-27, C-31]
- Assigning ICID cases to appropriate inspectors. [C-26]

F-1.2 Analyze the ICID database for the following:

- Compare the in-take date to the inspection date, noting the average length of response time, and occurrences in which the response was greater than five working days. Also note if response times correspond to case priority. [C-23, C-24]
- Verify that complaint resolutions are routinely entered for each case. [C-27]
- Determine the workload level per inspector for the year, per quarter, and per month.

F-2 Summarize sub-objective results:

Overall assessment and/or conclusion; Audit issues and/or findings; If information comes to auditor's attention indicating that abuse or illegal acts may have occurred, the Auditor-in Charge will immediately notify the City Auditor and the Supervising Auditor. Audit steps will be extended as necessary and the auditor should determine the extent to which these acts significantly affect the audit results. (Audit standards FWS 3A and 3B).

SUB-OBJECTIVE: To evaluate internal controls over ICID inspection results and database tracking.

F-3 Verify that EE inspectors consistently identify violations and issue appropriate enforcement actions.

F-3.1 Document procedures to:

- Determine appropriateness and completeness of direction. [C-29]
- Determine appropriate steps to resolve, review, and close cases. Note if timeframes for compliance are included.

F-3.2 Compare EE procedures to Code Enforcement procedures for identifying violations and issuing corrective actions.

F-3.3 Document training programs for EE inspectors. Note training areas covering violations and enforcement actions. [C-29]

F-3.4 Analyze the database to:

- Identify the use of violations and corrective actions. Identify frequency of the different violations and any variance in enforcement actions taken.
- Identify the range of time it takes for facilities to comply with the corrective actions. [C-30]

F-3.4 Review documentation of 100 inspection case files from FY 1998-99 and 1999-00. Determine the following:

- Are there any outstanding issues? Verify that cases were resolved according to the corrective actions and due dates. [C-30]
- Verify that inspectors apply corrective actions consistently for similar cases.
- Compare case files to the ICID database, noting differences in corrective actions and dates.

F-4 Evaluate the completeness and accuracy of the ICID database.

F-4.1 Document procedures for the following:

- Updating the database with case information
- Adding and removing case files from the database
- Receiving ICID referrals and how each type of referral method is entered into the database and tracked.

F-4.2 Document progress towards linking the ICID database with DST.

F-4.3 Verify that EE construction sites (routinely inspected by two EE inspectors) are tracked by the ICID or other ESD database. Contact Public Works to understand their process for inspecting inspection sites and the extent to which they inspect for stormwater issues.

F-4.4 Analyze the ICID database for the following:

- Verify that closed cases are resolved.
- Verify that the Program tracks inspections and not non-inspection activities.
- Use case files selected in Sub-objective 4 to compare information in the database to information in the case files.
- Verify adequacy of controls over data entry (password protection).

F-5 Summarize sub-objective results:

Overall assessment and/or conclusion; Audit issues and/or findings; If information comes to auditor's attention indicating that abuse or illegal acts may have occurred, the Auditor-in Charge will immediately notify the City Auditor and the Supervising Auditor. Audit steps will be extended as necessary and the auditor should determine the extent to which these acts significantly affect the audit results. (Audit standards FWS 3A and 3B).

OBJECTIVE G: To ensure that the Pretreatment and IC/ID Programs are in compliance with applicable municipal codes and regulations; and that controls are adequate and complete.

G-1 Obtain and review applicable municipal code requirements that apply to these particular programs.

G-2 If necessary develop compliance tests to ensure compliance with the municipal code. Investigate any reasons for exceptions.

G-3 Review identified threats and controls for apparent areas of exposure.

1. Obtain and review purported controls to ensure they are adequate and complete.
2. Identify any controls that are superfluous and unnecessary, or not cost-effective.

G-4 Summarize sub-objective results:

- Overall assessment and/or conclusion;
- Audit issues and/or findings;
- If information comes to auditor's attention indicating that abuse or illegal acts may have occurred, the Auditor-in Charge will immediately notify the City Auditor and the Supervising Auditor. Audit steps will be extended as necessary and the auditor should determine the extent to which these acts significantly affect the audit results. (Audit standards FWS 3A and 3B).

SUB-OBJECTIVE: SUMMARIZE RESULTS OF OBJECTIVE

G-5 Prepare preliminary Finding Development Sheets as appropriate. Submit all new or revised Finding Development Sheets to City Auditor with APR according to established bi-weekly schedule. Evaluate whether additional audit steps are required to develop the elements of a complete finding. At the next bi-weekly meeting, discuss the preliminary findings, or the lack thereof, with the City Auditor to assess whether to revise, expand or drop subsequent audit objectives and audit steps.

NOT STARTED

G-6 Prepare interim reports to auditee as necessary. (Audit Standard RS-2.2)

NOT STARTED

G-7 Complete numbering, labeling, and cross-indexing of workpapers, APR, workpaper index, and other audit documents. (Procedure 5-02)

NOT STARTED

G-8 In-charge Review of workpapers, APR files, and indexes prepared by others. Respond to reviewer's notes as necessary. (File at A-12)

NOT STARTED

G-9 Schedule Supervising Auditor review of workpapers and APR files. Respond to reviewer's notes as necessary. (File at A-13)

NOT STARTED

G-10 Schedule Second Audit Standards Review after final phase of fieldwork. (Procedure 5-01, Section IV-3.2) Respond to reviewer's notes as necessary. (File at A-11)

NOT STARTED